

Message Text

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17

ACTION EB-11

INFO OCT-01 EUR-25 ISO-00 SPC-03 SAM-01 AID-20 NSC-10

RSC-01 CIEP-02 TRSE-00 SS-20 STR-08 OMB-01 CEA-02

CIAE-00 COME-00 FRB-02 INR-10 NSAE-00 XMB-07 OPIC-12

LAB-06 SIL-01 DODE-00 PM-07 H-03 L-03 PA-04 PRS-01

USIA-15 INT-08 DRC-01 /185 W
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R 131530Z FEB 73

FM AMCONSUL MILAN

TO SECSTATE WASHDC 3500

INFO US MISSION EC BRUSSELS 103

AMEMBASSY LONDON

AMEMBASSY MADRID

AMEMBASSY ROME

LIMITED OFFICIAL USE MILAN 171

E.O. 11652: N/A

TAGS: EIND, ETRD, IT

SUBJ: U.S. FERROUS SCRAP EXPORT CONTROL PROGRAM

REF: (A) ROME 1928; (B) MILAN 110; (C) ROME 1533;
(D) MILAN A-08 OF FEB. 6

1. FOLLOWING INFORMAL CONSULATE TRANSLATION OF LETTER
FROM DR. DEL GUERCIO, CAMPSIDER PRESIDENT, IS TRANSMITTED
FOR DEPARTMENT CONSIDERATION:

"CONSORTIUM FOR THE SUPPLY OF RAW MATERIALS FOR THE STEEL
INDUSTRY, FEBRUARY 6, 1974.

"DEAR MR. FURNESS:

"WE HAVE RECEIVED THE "EXPORT ADMINISTRATION BULLETIN" OF
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JANUARY 8, 1974, WHICH YOU COURTEOUSLY SENT US, AND WE
THANK YOU FOR YOUR ATTENTION.

"STILL, THIS BULLETIN DOES NOT ADD MUCH TO WHAT WAS ALREADY KNOWN; AND, ABOVE ALL, DOES NOT CONTAIN THE NEWS THAT FOR US IS ESSENTIAL TO BE ABLE TO INITIATE VALID NEGOTIATIONS: THAT IS, THE LIST OF ALLOCATION-HOLDING DEALERS.

"THIS SECRECY CONTINUES TO SURPRISE US AND WE HAVE NOT SUCCEEDED IN EXPLAINING THE MOTIVE (FOR THE SECRECY). THE DISTRIBUTION OF THE QUOTAS MADE WITH SUCH SCRUPULOUS ATTENTION TO THE REFERENCE PERIOD HAS ALREADY PRODUCED A FRAGMENTATION OF THE TONNAGES AT THE DISPOSITION OF INDIVIDUAL EXPORTERS (REFERENCE IS MADE TO MINIMUM QUOTAS OF 200 SHORT TONS, WHEN A SHIP (DESTINED) FOR ITALY SHOULD BE LOADED WITH AT LEAST 15,000/16,000 TONS). IF BEYOND THAT THEN, ONE IS NOT ABLE TO KNOW WHO CAN EXPORT SUCH MATERIAL (AND THUS ONE CAN NOT ASCERTAIN IF EVENTUAL OFFERS ARE VALID OR ONLY SPECULATIVE), IT IS EVIDENT THAT A LARGE PART OF THE QUANTITY THEORETICALLY ASSIGNED TO ITALY REMAINS FROZEN. "CONTEMPORANEOUSLY, WE HAVE BEEN INFORMED BY OUR LARGEST U.S. SCRAP SUPPLIERS THAT AMERICAN STEEL WORKS AND FOUNDERIES ARE BRINGING PRESSURE ON THE U.S. GOVERNMENT TO OBTAIN A COMPLETE EXPORT EMBARGO (OF FERROUS SCRAP).

"YOU WELL KNOW THE SITUATION IN THE STEEL INDUSTRY OF OUR COUNTRY AND KNOW THAT THE SUPPLIES OF AMERICAN SCRAP, ALTHOUGH NOT REACHING VERY HIGH QUANTITIES (WITH RESPECT TO THE IMPORTS FROM OTHER COUNTRIES) ARE ESSENTIAL AND UNSUBSTITUTIBLE FOR THE FUNCTIONING OF OUR STEEL MILLS. YOU ARE ALSO AWARE THAT ITALY, WHICH HAS IMPORTED SCRAP FROM THE UNITED STATES FOR VERY MANY YEARS, HAS ALWAYS MAINTAINED ITS ACQUISITIONS WITHIN RATHER CONSTANT LIMITS SO AS TO AVOID REPERCUSSIONS IN THE INTERNAL AMERICAN MARKET. THIS IS PROVED BY THE AMOUNT IMPORTED BY US IN 1973.

"WE WOULD BE EXTREMELY GRATEFUL IF YOU WOULD USE YOUR GOOD OFFICES TO INTERCEDE WITH THE GOVERNMENT OF YOUR COUNTRY TO AVOID AN EVENTUAL DECISION (IN FAVOR) OF A TOTAL EMBARGO, WHICH WOULD CERTAINLY HAVE DRAMATIC REPERCUSSIONS FOR THE ITALIAN STEEL INDUSTRY.

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"OUR DEEPLY-FELT THANKS FOR WHATEVER YOU CAN DO IN THIS RESPECT, AND WE SEND YOU OUR VERY BEST WISHES.

"CONSORTIUM FOR THE SUPPLY OF RAW MATERIALS FOR THE STEEL INDUSTRY, THE DIRECTOR

/S/

DR. R. I. DEL GUERCIO

2. COMMENT: CONSULATE MILAN PLANS ONLY TO ACKNOWLEDGE

RECEIPT OF DEL GUERCIO LETTER PENDING DEPARTMENT RESPONSE
TO REEOEL (A). WHILE BODY OF LETTER REITERATES PROBLEMS
ALREADY COMMUNICATED BY CAMSIDER AND GOI TO CONSULATE AND
EMBASSY REPRESENTATIVES, CONSULATE WOULD APPRECIATE
DEPARTMENT'S ASSISTANCE IN RESPONDING TO LATEST CAMPSIDER
REQUEST FOR INFORMATION ON RUMORED TOTAL EMBARGO U.S.
SCRAP EXPORTS. FINA

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Message Attributes

Automatic Decaptioning: X
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Current Classification: UNCLASSIFIED
Concepts: SUPPLIES, EXPORTS, STEEL
Control Number: n/a
Copy: SINGLE
Draft Date: 13 FEB 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: MILAN
Handling Restrictions: n/a
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ISecure: 1
Legacy Key: link1973/newtext/t1973021/aaaaaaas.tel
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30 JUN 2005

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TAGS: EIND, ETRD, IT, US
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005